

Senate Joint Resolution No. 27

RESOLUTION CHAPTER 40

Senate Joint Resolution No. 27—Relative to Equal Pay Day.

[Filed with Secretary of State April 26, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

SJR 27, Bowen. Equal Pay Day.

This bill would proclaim April 25, 2006, as Equal Pay Day in California and would urge Congress to protect the right of all American women to receive equal pay for equal work, and to continue to provide effective remedies to victims of discrimination in the payment of wages on the basis of sex.

WHEREAS, More than 40 years after the passage of the Federal Equal Pay Act of 1963 and the passage of Title VII of the Federal Civil Rights Act of 1964, American women continue to suffer disparities in wages that cannot be accounted for by age, education, or work experience; and

WHEREAS, According to statistics released in 2004 by the U.S. Census Bureau, year-round, full-time working women in 2003 earned only 76 percent of the earnings of year-round, full-time working men, indicating little change or progress in pay equity; and

WHEREAS, A General Accounting Office report on women's earnings shows that there exists an inexplicable wage gap of approximately 20 percent between men and women, even after taking into account work experience, education, occupation, industry of current employment, and other demographic and job characteristics; and

WHEREAS, In the 43 years since the passage of the Equal Pay Act, the gap has narrowed by less than half, from 41 cents per dollar to 22 cents, and research by the Institute for Women's Policy Research finds that recent change is due in large part to men's real wages falling, not women's wages rising; and

WHEREAS, California ranks fifth among all states in equal pay, yet it ranks 39th among all states in progress in closing the hourly wage gap, and at the current rate of change California working women will not have equal pay for another 40 years; and

WHEREAS, The consequences of the wage gap reach beyond working women and extend to their families and the economy to the extent that, in 1999, even after accounting for differences in education, age, location, and the number of hours worked, America's working families lost \$200 billion of annual income to the wage gap, with an average of \$4,000 per family; and

WHEREAS, Women play a crucial role in maintaining the financial well-being of their families by providing a significant percentage of their household incomes and, in many cases, women head their own households; and

WHEREAS, Pay inequity results in a higher poverty rate for women, particularly in women-headed households, as evidenced by figures from the McAuley Institute, which indicate that for families that are headed by a woman and have children under five years of age, the poverty rate is an astonishing 46.4 percent; and

WHEREAS, Educated women are not exempt from pay disparity; and

WHEREAS, In 2001 the average income for a woman with a bachelor's degree was 24 percent lower than that of a man with the same level of education—\$32,238 versus \$42,292; and

WHEREAS, The average 25-year-old working woman will lose about \$455,000 to unequal pay during her working life; and

WHEREAS, The wage gap is even wider for women of color, as evidenced by a 2001 statistic that reported that African-American women earned 70 percent and Hispanic women earned 58 percent of average white male earnings; and

WHEREAS, The wage gap is also prevalent within minority communities, as shown by a 2002 report that African-American women earned 91 percent of what African-American men earned, and Hispanic women earned 88 percent of what Hispanic men earned; and

WHEREAS, Even in professions in which women comprise a majority of workers, such as nursing and teaching, men earn an average of 20 percent more than women working in these same occupations; and

WHEREAS, According to the data analysis of over 300 job classifications provided by the United States Department of Labor, Bureau of Labor Statistics, women are paid less in every occupational classification for which sufficient information is available; and

WHEREAS, The average 25-year-old woman who works full time, year round, is projected to earn \$523,000 less over the course of her career than the average 25-year-old man who works full time, year round; and

WHEREAS, If women were paid the same as men who work the same number of hours, have the same education and same union status, are the same age, and live in the same region of the country, then the annual family income of each of these women would rise by \$4,000, and the number of families who live below the poverty line would be reduced by half; and

WHEREAS, The wage gap continues to affect women in their senior years as lower wages result in lower pensions and incomes after retirement, and affect a woman's ability to save, thereby contributing to a higher poverty rate for elderly women; and

WHEREAS, Half of all older women with income from a private pension receive less than \$5,600 per year, as compared with \$10,340 per year for older men; and

WHEREAS, Men live an average of 77 years and women live an average of 81.7 years; and

WHEREAS, Assuming men and women retire at age 65, men will rely on their state pensions to help them through 12 years of life, while a woman's pension will have to last 16.7 years; and

WHEREAS, There is a greater likelihood that a female worker would outlive her defined contribution plan; and

WHEREAS, It is estimated that it would cost a man \$654,000 to purchase an annuity based on 25 years of service and a \$6,000 final-month salary, while it would cost a woman over \$700,000 to purchase the same annuity with the same monthly benefits; and

WHEREAS, If both a man and a woman invested \$750,000 in this same annuity, it is estimated the woman would receive a little under \$3,420 per month while the man would receive \$3,670, or a 7-percent difference; now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature hereby declares April 25, 2006, to be "Equal Pay Day" in California and urges California citizens to recognize the full value and worth of women and their contributions to the California workforce; and be it further

Resolved, That the Legislature respectfully urges the Congress of the United States to protect the fundamental right of all American women to receive equal pay for equal work, and to continue to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.